

Message Text

CONFIDENTIAL

PAGE 01 LONDON 00465 121558Z

44

ACTION EB-04

INFO OCT-01 SS-04 ISO-00 EUR-03 TRSE-00 NSC-04 NSCE-00

CEA-01 INR-01 CIAE-00 FRB-03 /021 W

----- 060961

P R 121553Z JAN 76

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 8000

INFO AMEMBASSY TEHRAN

C O N F I D E N T I A L LONDON 00465

LIMDIS GREENBACK

PASS TREASURY AND FRB

E.O. 11652: XGDS-1

TAGS: EFIN, UK

SUBJECT: IRANIANS RENEGE ON SECOND \$400 MILLION TRANCHE

TO THE UK

1. H.M. TREASURY SOURCE TOLD FINANCIAL ATTACHE THAT IRANIANS INFORMED H.M. GOVERNMENT ON JANUARY 2, THAT IRAN CANNOT MAKE AVAILABLE THE SECOND \$400 MILLION TRANCHE DUE TO THE UK IN DECEMBER 75/JANUARY 76. H.M. TREASURY AND FOREIGN OFFICE MET LAST WEEK TO DETERMINE UK REACTION TO GIVE TO THE IRANIANS.

2 IRANIANS APPARENTLY TOLD THE BRITISH THEY SIMPLY DO NOT HAVE THE FUNDS AVAILABLE TO PROVIDE \$400 MILLION. ACCORDING TO SOURCE, FOREIGN OFFICE WAS IN FAVOR OF A SYMPATHETIC LETTER TO THE IRANIANS STATING H.M. GOVERNMENT UNDERSTOOD IRAN'S PROBLEMS BUT NONETHELESS BELIEVED THE PAYMENT (WHICH IS THE SECOND OF THREE SCHEDULED TRANCHES) SHOULD BE MADE. H.M. TREASURY REPORTEDLY HAS ARGUED FOR AND BEEN SUCCESSFUL IN HAVING ADOPTED A POLICY THAT IS TOUGHER, LEAVING OUT ANY LANGUAGE ABOUT UNDERSTANDING THE IRANIANS' PROBLEMS AND STATING THE IRANIANS HAVE A LEGAL AND CONTRACTUAL OBLIGATION TO PROVIDE \$400

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 00465 121558Z

MILLION THIS YEAR AND AN ADDITIONAL \$400 MILLION NEXT AND

THAT H.M. TREASURY EXPECTS THAT THE SECOND TRANCHE SHOULD BE AVAILABLE BY MID-FEBRUARY AT THE LATEST.

3. SOURCE REQUESTED THAT THIS INFORMATION BE CLOSELY HELD. HE BELIEVES BRITISH EMBASSY WASHINGTON MAY HAVE ALREADY INFORMED DEPARTMENT OF STATE FOR THE MOMENT, SOURCE SAID ONLY THE U.S. WAS BEING INFORMED. UK'S EC PARTNERS ARE NOT YET AWARE OF THE IRANIAN REFUSAL TO MAKE FUNDS AVAILABLE.

4. PLEASE TREAT AS NOFORN.

RICHARDSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT BONDS, DEBT REPAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 12 JAN 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON00465
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: X1
Errors: N/A
Film Number: D760010-0767
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760166/aaaacgwv.tel
Line Count: 74
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS, NOFORN
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS, NOFORN
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 12 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 MAY 2004 by ShawDG>; APPROVED <04 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IRANIANS RENEGE ON SECOND \$400 MILLION TRANCHE TO THE UK
TAGS: EFIN, UK, IR, EEC
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006